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101st Congress, 2d Session - - - - - - - - - - House Document 101-156

REVIEW OF DEFERRALS

COMMUNICATION

FROM

THE ACTING COMPTROLLER GENERAL OF THE UNITED STATES

TRANSMITTING

A REVIEW OF THE PRESIDENT'S THIRD SPECIAL IMPOUNDMENT MESSAGE FOR FISCAL YEAR 1990, PURSUANT TO 2 U.S.C. 685

MARCH 12, 1990.—Referred to the Committee on Appropriations and ordered to be printed

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Comptroller General
of the United States

Washington, D.C. 20548

B-237297.3

March 6, 1990

The Honorable Thomas S. Foley
Speaker of the House of Representatives

Dear Mr. Speaker:

On February 6, 1990, the President submitted to the Congress his third special impoundment message for fiscal year 1990 covering 19 deferrals of budget authority. We concluded in a letter dated February 20, 1990, to the Honorable Robert C. Byrd and Mark O. Hatfield of the Senate Appropriations Committee that 14 of these deferrals and a portion of a fifteenth deferral are not authorized under the Impoundment Control Act of 1974, as amended, 2 U.S.C. § 681 et seq. We have now concluded that the remainder of the fifteenth deferral and two other deferrals are also unauthorized. One deferral is authorized and we are in the process of ascertaining the justifications for another concerning a classified project. Enclosure I provides specific information with regard to 10 of the deferrals, which we believe will be useful to the Congress in its examination of the message. Enclosure II provides a list of the deferrals as reported by the President.

BACKGROUND

Section 1013 of the Impoundment Control Act, as amended in 1987 by Public Law 100-119, 101 Stat. 754, permits the President to defer budget authority for only three purposes:

> "(1) to provide for contingencies;
>
> "(2) to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or
>
> "(3) as specifically provided by law."

2 U.S.C. § 684(b).

To place all 19 deferrals in perspective, we think it useful to discuss the evolution of the law which resulted in this provision, particularly recent changes resulting from the United States Court of Appeals decision in City of New Haven v. United States, 809 F.2d 900 (D.C. Cir. 1987).

Before enactment of the Impoundment Control Act of 1974, the President asserted, both on constitutional and statutory grounds, the authority to impound budget authority for "policy" reasons. At the time, the Antideficiency Act authorized the establishment of reserves either to provide for contingencies or to effect savings made possible by (1) changes in requirements, (2) greater efficiency of operations, or (3) "other developments subsequent to the date on which such appropriation was made available." 31 U.S.C. § 665 (1976).

The executive branch maintained that in order to effect savings made possible by "other developments," the President could defer budget authority for "policy" reasons inimical to the purpose to be served by the appropriation being withheld. This Office and the courts held that the executive branch position was inconsistent with the legislative history of the Antideficiency Act as well as prior executive practice. See Letter from the Comptroller General to Chairman, Subcommittee on Separation of Powers, Committee on the Judiciary, United States Senate, B-135564, July 26, 1973, and cases cited therein. Nevertheless, the then existing Administration did not abandon its claim of authority.

As a result, in 1974 when the Congress enacted the Impoundment Control Act, it also amended the Antideficiency Act to make clear that it could no longer be claimed as authority to make policy deferrals. Thus, the Impoundment Control Act amended the Antideficiency Act by deleting the authority to establish reserves to effect savings made possible by "other developments." See Pub. L. No. 93-344, 88 Stat. 332 (1974).

The objective of the amendment was to assure that "the practice of reserving funds does not become a vehicle for furthering administration policies and priorities at the expense of those decided by Congress." S. Rep. No. 688, 93rd Cong., 2nd Sess., 75 (1974) (emphasis added). The legislative history of the amendment makes clear that it is "perfectly justifiable and proper for all possible economies to be effected and savings to be made. But there is no warrant or justification for the thwarting of a major policy of Congress by the impounding of funds." Id. citing H.R. Rep. No. 1797, 81st Cong. 2d Sess., p. 311 (1950).

The amendments to the Antideficiency Act in affirming the President's authority to make routine deferrals, specified that "[e]xcept as specifically provided by particular appropriation acts or other laws, no reserves shall be

established otherwise than by" the Antideficiency Act. Pub. L. No. 93-344, § 1002, 88 Stat. 332 (1974). Notwithstanding the Antideficiency Act or other authority, deferrals were required to be reported under section 1013 which provided for either House of Congress to disapprove any deferral--a so-called legislative veto.

In 1987, the United States Court of Appeals for the District of Columbia Circuit invalidated section 1013 of the Impoundment Control Act because of the unconstitutional legislative veto provision in that section. City of New Haven Connecticut v. United States, 809 F.2d 900 (D.C. Cir. 1987). By invalidating section 1013, the court removed the sole general legislative authority for "policy" deferrals. The court stressed that were it to let section 1013 stand and merely to sever the unconstitutional one-House veto provision from the section, it would have given the President a license to defer for policy reasons without any congressional control. Id. at 909. This would have created a situation which required the Congress to legislate a second time to effect and reconfirm its budgetary policies already set out in appropriation acts. Id. The court reasoned that such a result would have been completely contrary to the will of Congress, which in amending the Antideficiency Act sought to "remove any colorable statutory basis for unchecked policy deferrals." Id. At the same time, however, the court upheld the President's authority to defer funds under the Antideficiency Act, that is, for "routine programmatic impoundments," and his responsibility to report such deferrals. Id at 906, 909.

In response to the New Haven decision, Congress in 1987 enacted a new section 1013 that permits deferrals only for Antideficiency Act reasons, i.e., contingencies, savings, or as specifically provided by law. Pub. L. 100-119, 101 Stat. 754 (1987). Since the 1987 amendment of section 1013, until the deferrals at issue here, we have not had occasion to object to any deferrals reported by the President as Antideficiency Act deferrals. Accordingly, we think a review of the characteristics of a valid deferral is in order.

First, the deferral must be a temporary withholding. Second, the reasons for the deferral must be fully explained. Section 1013 requires that the President report every deferral to the Congress in a special message that provides detailed information concerning the basis and effect of the deferral, including:

> "(6) all facts, circumstances, and considerations relating to or bearing upon the proposed deferral

> and the decision to effect the proposed deferral, including an analysis of such facts, circumstances, and considerations in terms of their application to any legal authority, invoked to justify such proposed deferral . . . ."

2 U.S.C. § 684(a)(6).

In our opinion, one of the purposes of this reporting requirement is to permit Congress to determine whether a deferral is, in fact, a proper exercise of the President's authority under the Act. Indirect or generalized assertions that fail to provide a discernible nexus between the proposed deferrals and the asserted reasons therefor are not sufficient.

Finally, the executive branch may not defer for "policy" reasons. Deferrals intended to further executive branch policies or priorities in place of those policies established in the legislative process are, absent specific statutory authority, unauthorized deferrals.

ANALYSIS OF DEFERRALS OF FISCAL YEAR 1990 FUNDS

Although the special message does not so indicate, the Administration in its budget for fiscal year 1991 has proposed that the Congress transfer amounts in 16 of the deferrals, totalling $1,359,050,000, to finance other programs in fiscal year 1991. Of these funds, the Administration has proposed $860,300,000 for transfer to the appropriation "Procurement of Weapons and Tracked Combat Vehicles, Army," for the M-1 tank program. The Administration also proposes that Congress transfer the remaining $498,750,000 to the appropriation "Aircraft Procurement, Air Force," to fund the F-15 aircraft program. Budget of the United States Government, Fiscal Year 1991, at A-577 and A-583 (1990).

In our opinion, dated February 20, 1990, we concluded that 15 of these deferrals, totalling $1,251,050,000, were unauthorized1/ and explained that we were continuing to

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1/ The 15 deferrals are D90-10, OV-ID Aircraft modifications; D90-12, M483 155 mm Artillery Projectile; D90-13, Termination of Echelon Above Corps; D90-15, HARM Missile, Navy; D90-16, Fast Sealift Ships; D90-18, MH-60G Helicopter and F-4G Wild Weasel; D90-19, HARM Missile, Air Force and Minuteman II modifications; D90-20, Combined Effects Munitions; D90-21, National Guard Reserve Equipment,

(continued...)

gather information on deferral D90-23 and one other that is classified for national security purposes.

The Administration's entire explanation of the 15 deferrals in question is that they are necessary because of "changes in requirements in view of the promising developments in the Soviet Union and Eastern Europe." This is not the detailed, reasoned explanation for the deferrals which section 1013 requires. It is no more than a generalized assertion that provides no direct nexus between the proposed deferrals and the asserted reasons for them. For example, in deferral D90-18, the President has deferred $181,700,000 of funds appropriated in the lump-sum "Aircraft Procurement, Air Force," and intended for MH60-G helicopters and F-4G aircraft. The only justification advanced is that the deferral is necessitated by changed requirements brought about by "promising developments in the Soviet Union and Eastern Europe." The justification fails to explain how the promising developments affect the requirement for these two weapons systems.

Deferral D90-24 is a more dramatic example of the same point. There the President has deferred $3,200,000 in funds appropriated for "Military Construction, Army, because of the same "promising developments in the Soviet Union and Eastern Europe." The funds were provided for construction of an access road at the Tobyhanna, Pennsylvania, Army Depot. The justification does not explain how the events in the Soviet Union and Eastern Europe relate to, let alone justify, the decision to defer funds for construction of an access road in an Army Depot in Pennsylvania.

All the other deferrals at issue similarly fail to provide an adequate justification directly and specifically relating to the changes in East-West relations to the requirements for the funds that are being deferred. The level of generality used to explain these deferrals could be employed across a wide range of Department of Defense accounts suggesting that the choice of activities and programs being deferred relates less to routine operation of the government

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1/(...continued)
Defense; D90-23, Research, Development, Test and Evaluation, Defense ($13 million for Defense Advance Projects Research Agency software efforts); D90-24, Military Construction, Army; D90-25, Military Construction, Navy; D90-26, Military Construction, Army National Guard; D90-27, Military Construction, Air National Guard; D90-28, Military Construction, Army Reserve.

than to executive policy choices concerning activities that should or should not be funded.

In addition, as we noted earlier, the President has proposed the deferred funds for transfer to the M-1 tank and F-15 aircraft programs. The generalized assertions that are the basis for the deferrals could be equally applicable to the M-1 and F-15 programs, adding support to the view that the deferrals are intended to substitute the President's priorities and policies for those already enacted in appropriations acts.

Further, our examination of the Administration's budget requests and the committee reports accompanying the fiscal year 1990 Defense appropriation act indicates that most of the deferrals involve appropriations that were not requested by the Administration but rather were added by the Congress during the legislative process. The President's choice to defer these appropriations rather than others to which the justification for the deferrals appears to be equally applicable is further evidence that the deferrals are for reasons of policy.

Thus, the cryptic explanation that has been given for the deferrals proposed here, together with the intended uses planned for the amounts deferred, makes these deferrals highly suspect. Without a sufficiently detailed explanation underlying the deferrals, there is no basis for concluding that they fall within the limitations of the Act. We conclude on the basis of the present record that these deferrals totalling $1,251,050,000 dollars, are not authorized under the Impoundment Control Act.

In addition to these deferrals, the President's message proposed other deferrals totalling $942,800,000.

D90-22

Research, Development, Evaluation and Testing, Air Force
Amount Deferred: $100,000,000
570/13600

The details associated with this deferral are classified and require special access. GAO is currently in the process of obtaining the specific facts and justifications associated with this deferral. Our report on this deferral will be issued under a separate classified cover.

D90-23

Research, Development, Test and Evaluation, Defense Agencies (University Research Projects) Amount Deferred: $21,000,000 970/10400

Eight million dollars out of the $21,000,0002/ were provided for university research grants. In its justification the Administration states that the university funds cannot be obligated due to "legal constraints and competition policy considerations pursuant to section 252 of the FY 1991 National Defense Authorization Act."

In the National Defense Authorization Act, fiscal year 1989, Congress added a competition requirement for the award of grants to colleges and universities. Pub. L. No. 100-456, § 220, 102 Stat. 1940, codified at 10 U.S.C. § 2361 (1988). The statute prohibited the Secretary of Defense from making a grant or awarding a contract to a college or University for the performance of research and development or construction of any research or other facility unless competitive procedures were used. Id. The provision became effective on October 1, 1989. The requirement for competitive procedures was elaborated in the National Defense Authorization Act for 1990 and 1991, wherein the Congress amended 10 U.S.C. § 2361 to state:

> "The Secretary of Defense may not make a grant or award a contract to a college or university for the performance of research and development or for the construction of any research or other facility unless-
>
> "(1) in the case of a grant, the grant is made using competitive procedures; and
> "(2) in the case of a contract, the contract is awarded in accordance with section 2304 of this title . . . ."

Pub. L. No. 189, § 252, 103 Stat. 1404 (1989).

The amendment was made retroactive to September 30, 1989 and provided that later legislation could supersede it only by specific reference. Id. This amendment was meant to clarify Congress' intent regarding competition requirements and to discourage legislative or executive branch earmarking in awarding university or college research grants thus

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2/ The remaining $13,000,000 deferred in this account was included in the 15 deferrals we held improper above.

ensuring full and open competition except in very limited circumstances. See H.R. Rep. No. 331, 101st Cong., 1st Sess. 532 (1989). The conference report accompanying the the 1990 Defense appropriation act enacted after September 30, 1989, clearly states that the $8,000,000 at issue here was meant for a grant for the proposed center for Commerce and Industrial Expansion at Loyola University of Chicago. H.R. Rep. No. 345, 101st Cong., 1st Sess. 122 (1989). However, there is no language in the appropriation act itself which would supersede 10 U.S.C. § 2361. Thus, although the conference report indicates an intention that the funds be granted to Loyola, the law requires that the grant be made using "competitive procedures."

Nevertheless, the Department's argument that 10 U.S.C. § 2361, as amended, justifies withholding these funds from obligation is without merit. The law requires only that $8,000,000 of grants be made "using competitive procedures," regardless of any directions in the legislative history. It does not prohibit use of the funds. According to the Department, there is no competition underway, and the transfers proposed in the fiscal year 1991 budget indicate that there is no intent to use these funds for grant purposes. It thus appears that in proposing this deferral the Administration is substituting its priorities and policies for those of the Congress. Therefore, the deferral is not authorized.

D90-11

Department of the Army
Procurement of Ammunition, Army
Amount Deferred: $310,000,000
219/12034 218/02034

These funds were provided for the design and construction of an RDX explosive production facility at the Louisiana Army Ammunition Plant.3/ The purpose of the facility was to respond to a "critical shortfall in the Army's mobilization base requirement." S. Rep. No. 235, 100th Cong., 1st Sess. 130 (1987).

3/ This sum is the unobligated balance which was provided for construction of the facility. A total of $262,700,000 was designated out of the fiscal year 1988 appropriation "Procurement of Ammunition, Army," H.R. Rep. No. 498, 100th Cong., 1st Sess. (1987). An additional $72,300,000 was provided in the 1989 Defense appropriation from the same account to fully fund the facility. H. R. Rep. No. 1002, 100th Cong., 2nd Sess. 42 (1988).

As previously stated, the Impoundment Control Act permits deferrals "to achieve savings made possible by or through changes in requirements." 2 U.S.C. § 684(b). The $310,000,000 is being deferred here because of changes in requirements in view of "promising developments in the Soviet Union and Eastern Europe." The justification for the deferral further states that:

> "As a result of these changes, the Department is in the process of conducting a review of all ammunition and production facilities, including the RDX facility, to determine future requirements."

The mere addition of this sentence is not a sufficiently detailed or reasoned explanation for the deferrals. As discussed above, section 1013 of the Impoundment Control Act requires that the reasons for a deferral be fully explained in order to permit Congress to determine whether a deferral is, in fact, a proper exercise of the President's authority under the Act. Here, the Administration gives no more than a generalized assertion that a "review" of ammunition and production facilities is being conducted. Such a broad justification could be asserted for any number of military programs suggesting that the choice of deferring funds for this particular program relates less to the routine operation of the government than to an executive policy choice concerning whether the RDX facility should or should not be funded. Therefore, this deferral is not authorized.

We note that the bulk of the amount deferred, $237,700,000, is only available until the end of this fiscal year, September 30, 1990. Therefore, the review and decision regarding the RDX facility at such a late date effectively puts the RDX funds in jeopardy of lapsing. This could create a situation in which the time remaining in the fiscal year would be insufficient to prudently obligate the funds for construction of the RDX facility thus leading to a potential de facto rescission.

D90-17

Department of the Navy
Shipbuilding and Conversion, Navy
Amount Deferred: $324,800,000
170/41611

These funds were provided for the procurement of an icebreaker for the United States Coast Guard (USCG). The Congress specifically appropriated $329,000,000 for procurement of the icebreaker. Pub. L. No. 101-165, 103 Stat. 1122 (1989). The conference report accompanying the appropriation act states:

> "The conferees agree that no contract shall be awarded for basic construction of a new icebreaker until 30 days after the President forwards to the Congress the report on polar icebreaking needs that was mandated by the Coast Guard Authorization Act of 1988 [Pub. L. 100-448, 102 Stat. 1847 (1987)]."

H.R. Rept. No. 345, 101st Cong., 1st Sess. 78 (1989).

The justification states that the proposed icebreaker ship design is being verified in order to determine whether the construction can be accomplished within the available funding. According to the Department, the Naval Sea Systems Command is currently reviewing the proposed ship design for this purpose. The Senate proposed $488,000,000 for the icebreaker; however, the conference agreement provided only $329,000,000, thus leading to this design review. An award of the icebreaker contract is not expected until April of 1991. Our Office does not normally consider such contract delays due to design modification, verification or changes in scope, as constituting impoundments of budget authority under the Impoundment Control Act. See GAO, VA Health Care, Delays in Awarding Major Construction Contracts at 3 (GAO/HRD-84-74, B-225048, Mar. 11, 1988); B-221412, Feb. 12, 1986.

D90-14

Department of the Navy
Aircraft Procurement, Navy
Amount deferred: $200,000,000
179/11506

These funds, available until September 30, 1991, are the remainder of $335,332,000 provided for the advance procurement of the V-22 Osprey tiltrotor aircraft in the fiscal year 1989 lump-sum appropriation for "Aircraft Procurement, Navy." Pub. L. No. 101-463, 102 Stat. 2270-9 (1988). See H.R. Rep. No. 1002, 100th Cong., 2nd Sess. (1988).

The fiscal year 1990 Defense appropriation act provides no additional funding for V-22 production. The conference report accompanying the 1990 act notes that the Secretary of Defense ordered a cost and operations effectiveness analysis on the V-22 and other helicopter alternatives. The conferees stated that "study should be used as a basis for a decision to begin production of the V-22 in fiscal year 1991." H.R. No. 345, 101st Cong., 1st Sess. 73 (1989). However, the conferees stated their expectations:

> "that the Department obligate the remainder of the fiscal year 1989 advance procurement funds in order to retain the option to execute a production decision in fiscal year 1991."

Congress subsequently passed the National Defense Authorization Act for 1990 and 1991, Pub. L. No. 101-189, 103 Stat. 1352 (1989). Section 151 of that act provides that no funds appropriated or otherwise available to the Department in fiscal year 1990 under the 1990 and 1991 authorization act or any later enacted law may be obligated for procurement of the V-22. Id., 103 Stat. 1386. The statute, on its face, does not apply to funds previously made available for V-22 procurement. The conference report on the authorization act confirms that this provision was not to extend to the obligation of "prior-year procurement funds." H.R. Rep. No. 331, 101st Cong., 1st Sess. 460 (1989). At the same time the conference report notes that the "cost of the V-22 may prove unaffordable" and that the "future of the V-22 will be considered on the basis of the information that will be provided as a consequence of studies and certification of all reasonable alternatives to the V-22." Id. Furthermore, the authorization act provides an authorization for not more than $255,000,000 for research development, test, and evaluation in connection with the V-22 program. Pub. L. No. 101-189, § 218, 103 Stat. 1397 (1989).

As justification for the deferral, the impoundment message states that the President's budgets for fiscal years 1990 and 1991 proposed termination of the V-22 program. Furthermore, since the Congress provided no appropriations in the fiscal year 1990 Defense appropriations act for production of the V-22, the message states that a stop work order was issued under the advance procurement contract in December 1989 as an efficiency measure. If the funds were not deferred, the message notes, "aircraft components would continue to be procured that could not be used for any other aircraft program . . . [therefore] these funds are deferred as a contingency against incurring additional unnecessary sunk costs."

We conclude this is not a valid deferral action. Congress clearly provided $335,000,000 for advance procurement of the V-22. Although Congress chose not to authorize procurement funding for fiscal year 1990 and 1991, indicating some doubt as to the future of the V-22, Congress did not limit the availability of the prior-year procurement funds at issue here. In the conference on the National Defense Authorization Act for 1990 and 1991 the conferees rejected a Senate proposal to prohibit the obligation of prior-year

procurement funds and a House proposal to mandate procurement funds in 1990. H.R. Rep. No. 331, 101st Cong., 1st Sess 460 (1989). This compromise agreement confirms the decision reflected in the conference report on the 1990 appropriation act, that the Department "obligate the remainder of fiscal year 1989 advance procurement funds in order to retain the option to execute a production decision in 1991." H.R. Rep. No. 345, 101st Cong., 1st Sess. 73 (1989). Although both the Administration and the Congress have indicated doubts about the future of the V-22 procurement, Congress has made a policy decision to continue advance procurement for the V-22. The Impoundment Control Act does not authorize the Administration to substitute its policy choices for those of Congress under the guise of establishing "a contingency against incurring additional unnecessary costs." Accordingly, the deferral is unauthorized.

Sincerely yours,

Milton J. Socolar

for Comptroller General
of the United States

ENCLOSURE I

COMMENTS ON THIRD SPECIAL MESSAGE

DEPARTMENT OF DEFENSE:

D90-10 Department of the Army
Aircraft Procurement, Army
Amount Deferred: $16,000,000
210/22031

The latest apportionment statement for this account, dated January 31, 1990, shows total budgetary resources of $3,804,380,000 and not $3,744,080,000 as noted in the message. The amount shown on the apportionment schedule includes an additional $60,300,000 in reimbursements and other income.

D90-12 Department of the Army
Procurement of Ammunition, Army
Amount Deferred: $90,000,000
210/22034

The latest apportionment statement for this account, dated January 31, 1990, shows total budgetary resources of $2,051,243,000 and not $2,011,243,000 as noted in the message. The amount shown on the apportionment schedule includes an additional $40,000,000 in reimbursements and other income.

D90-13 Department of the Army
Other Procurement, Army
Amount Deferred: $11,000,000
210/22035

The latest apportionment statement in this account, dated January 31, 1990, shows total budgetary resources of $3,890,688,000 and not $3,666,488,000 as noted in the message. The amount shown on the apportionment schedule includes an additional $224,200,000 in reimbursements and other income.

D90-15 Department of the Navy
Weapons Procurement, Navy
Amount Deferred: $13,900,000
170/21507

The latest apportionment schedule for this account, dated January 31, 1990, shows total budgetary resources of $5,456,380,000 and not $5,386,380,000 as noted in the message. The amount shown on the apportionment schedule

includes an additional $70,000,000 in reimbursements and other income.

D90-16 Department of the Navy
D90-17 Shipbuilding and Conversion, Navy
Amounts Deferred: $592,398,000 (Sealift)
$324,800,000 (Icebreaker)
170/41611

The latest apportionment schedule for this account, dated January 31, 1990, shows total bugetary resources of $11,401,319,000 and not $11,400,061,000 as noted in the message. The amount shown on the apportionment schedule reflects an upward adjustment of amounts of budget authority previously reduced pursuant to Gramm-Rudman-Hollings.

D90-18 Department of the Air Force
Aircraft Procurement, Air Force
Amount Deferred: $181,700,000
570/23010

The latest apportionment schedule for this account, dated January 31, 1990, shows total budgetary resources of $15,920,159,000 and not $15,673,159,000 as noted in the message. The amount shown on the apportionment schedule includes an additional $247,000,000 in reimbursements and other income.

D90-19 Department of the Air Force
Missile Procurement, Air Force
Amount Deferred: $131,000,000
570/23020

The latest apportionment schedule for this account, dated January 31, 1990, shows total budgetary resources for this account to be $7,015,527,000 and not $6,763,755,000 as noted in the message. The amount shown in the apportionment schedule includes an additional $251,772,000 in reimbursements and other income.

D90-20 Department of the Air Force
Other Procurement, Air Force
Amount Deferred: $70,000,000
570/23080

The latest apportionment schedule for this account, dated January 31, 1990, shows total budgetary resources to be $9,043,320,000 and not $8,394,733,000 as noted in the

ENCLOSURE I

message. The amount shown on the apportionment schedule includes an additional $648,587,000 in reimbursements and other income.

D90-22 Department of the Air Force
Research, Development, Test and Evaluation, Air Force
Amount Deferred: $100,000,000
570/13600

The latest apportionment schedule for this account shows total budgetary resources of $16,405,672,000 and not $13,625,564,000 as noted in the message. The amount shown in the apportionment schedule includes an additional $2,780,108,000 in reimbursements and other income.

D90-23 Office of the Secretary of Defense
Research, Development, Test and Evaluation, Defense Agencies
Amount Deferred: $21,000,000
970/10400

The latest apportionment schedule for this account shows total budgetary resources of $8,366,291,000 and not $8,131,793,000 as noted in the message. The amount shown in the apportionment schedule inclue an additonal $234,498,000 in reimbursements and other income.

ENCLOSURE II

CONTENTS OF SPECIAL MESSAGE
(In thousands of dollars)
(as reported by the President)

DEFERRAL NO.	ITEM	BUDGET AUTHORITY
	Department of Defense, Military:	
D90-10	Aircraft Procurement, Army	16,000
D90-11	Procurement of Ammunition, Army	310,000
D90-12	Procurement of Ammunition, Army	90,000
D90-13	Other Procurement, Army	11,000
D90-14	Aircraft Procurement, Navy	200,000
D90-15	Weapons Procurement, Navy	13,900
D90-16	Shipbuilding and Conversion, Navy	592,398
D90-17	Shipbuilding and Conversion, Navy	324,800
D90-18	Aircraft Procurement, Air Force	181,700
D90-19	Missile Procurement, Air Force	131,000
D90-20	Other Procurement, Air Force	70,000
D90-21	National Guard and Reserve Equipment, Defense	40,900
D90-22	Research, Development, Test and Evaluation, Air Force	100,000
D90-23	Research, Development, Test and Evaluation, Defense Agencies	21,000
D90-24	Military Construction, Army	3,200
D90-25	Military Construction, Navy	16,150
D90-26	Military Construction, Army National Guard	18,301
D90-27	Military Construction, Air National Guard	36,841
D90-28	Military Construction, Army Reserve	16,660
	Total, Deferrals	2,193,850

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